GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

The Andhra Pradesh Goods and Services Tax Act, 2017 (Act No.16 of 2017) – certain amendments to the notification issued in G.O.Ms.No.588, Revenue (CT.II) Department, Dated. 12.12.2017 related to services of Nil rate of tax- Notification-Orders - Issued.

REVENUE (COMMERCIAL TAXES-II) DEPARTMENT

G.O.MS.No. 289, **Dated: 29 -04-2019**

Read the following:

1) The Andhra Pradesh Goods and Services Tax Act, 2017 (Act No. 16 of 2017) published in Extraordinary issue of Andhra Pradesh Gazette No.16, Part.IV.B, Dt:07-06-2017.
2) G.O.Ms.No. 588, Revenue (CT.II) Department, Dated. 12.12.2017.
3) From the Chief Commissioner of State Tax, A.P., Vijayawada, Letter No.CCW/GST/74/2015, dated. 29 -03-2019.

** ** **

ORDER:

The following notification will be published in an Extra-ordinary issue of the Andhra Pradesh Gazette, Dated: 30- 04-2019:

NOTIFICATION

In exercise of the powers conferred by sub-section (1) of section 11 of the Andhra Pradesh Goods and Services Tax Act, 2017 (Act No. 16 of 2017), the Government, on being satisfied that it is necessary in the public interest so to do, on the recommendations of the Goods and Services Tax Council, hereby makes the following amendments to the notification issued in G.O.Ms.No. 588, Revenue (CT.II) Department, Dated. 12.12.2017, namely:-

2. This notification shall be deemed to have come into force with effect on and from the 1st day of April, 2019.

AMENDMENTS

In the said notification, -

(i) in the opening paragraph, for the word, brackets and figures "sub-section (1) of section 11" the word, brackets and figures ", sub-section (3) and sub-section (4) of section 9, sub-section (1) of section 11,sub-section (5) of section 15 and section 148," shall be substituted;

(ii)in the Table, -

(a) after serial number 41in column nos.(1)(2) (3) and (5) and the entries relating thereto, the following serial numbers and entries relating thereto shall be inserted, respectively: -

(1)	(2)	(3)	(4)	(5)
"41A	Heading 9972	Service by way of transfer of development rights (herein after refered as TDR) or Floor Space Index (FSI) (including additional FSI) on or after 1st April,2019, for construction of residential apartments by a promoter in a	Nil	Provided that the promoter shall be liable to pay tax at the applicable rate, on reverse charge basis, on such proportion of value of development rights, or FSI (including additional FSI), or both, as is attributable to the residential apartments, which remain un- booked on the date of issuance of completion certificate, or first occupation of the project, as the case may be, in the following manner; - (GST payable on TDR or

		project, intended for sale to a buyer, wholly or partly, except where the entire consideration has been received after issuance of completion certificate, where required, by the competent authority or after its first occupation, whichever is earlier. The amount of GST exemption available for construction of residential apartments in the project under this notification shall be calculated as under: (GST payable on TDR or FSI(including additional FSI) or both for construction of the project) **x** (carpet area of the residential apartments in the project ÷ Total carpet area of the residential and commercial apartments in the project)		FSI(including additional FSI) or both for construction of the residential apartments in the project but for the exemption contained herein) **x** (carpet area of the residential apartments in the project which remain un- booked on the date of issuance of completion certificate or first occupation÷ Total carpet area of the residential apartments in the project) Provided further that tax payable in terms of the first proviso hereinabove shall not exceed 0.5**%** of the value in case of affordable residential apartments and 2.5% of the value in case of residential apartments other than affordable residential apartments remaining un-booked on the date of issuance of completion certificate or first occupation The liability to pay <u>state tax</u> on the said portion of the development rights or FSI, or both, calculated as above, shall arise on the date of completion or first occupation of the project, as the case may be, whichever is earlier.
41B	Heading 9972	Upfront amount (called as premium, salami, cost, price, development charges or by any other name) payable in respect of service by way of granting of long term lease of thirty years, or more, on or after 01.04.2019, for construction of residential apartments by a promoter in a project, intended for sale to a buyer, wholly or partly, except where the entire consideration has been received after issuance of completion certificate, where required, by the competent authority or after its first occupation,	Nil	Provided that the promoter shall be liable to pay tax at the applicable rate, on reverse charge basis, on such proportion of upfront amount (called as premium, salami, cost, price, development charges or by any other name) paid for long term lease of land, as is attributable to the residential apartments, which remain un-booked on the date of issuance of completion certificate, or first occupation of the project, as the case may be, in the following manner; - (GST payable on upfront amount (called as premium, salami, cost, price, development charges or by any other name) payable for long term lease of land for construction of the residential apartments, in the project but for the exemption contained herein) **x** (carpet area of the residential apartments in the project which remain un- booked on the date of issuance of completion certificate or first occupation÷ Total carpet area of the residential apartments in the project)

		whichever is earlier. The amount of GST exemption available for construction of residential apartments in the project under this notification shall be calculated as under: (GST payable on upfront amount (called as premium, salami, cost, price, development charges or by any other name) payable for long term lease of land for construction of the project) **x** (carpet area of the residential apartments in the project ÷ Total carpet area of the residential and commercial apartments in the project).		Provided further that tax payable in terms of the first proviso shall not exceed 0.5%of the value in case of affordable residential apartments and 2.5% of the value in case of residential apartments other than affordable residential apartments remaining un-booked on the date of issuance of completion certificate or first occupation. The liability to pay <u>state tax</u> on the said proportion of upfront amount (called as premium, salami, cost, price, development charges or by any other name) paid for long term lease of land, calculated as above, shall arise on the date of issue of completion certificate or first occupation of the project, as the case may be.

(iii) After paragraph 1, the following paragraphs shall be inserted, namely, -

"1A. Value of supply of service by way of transfer of development rights or FSI by a person to the promoter against consideration in the form of residential or commercial apartments shall be deemed to be equal to the value of similar apartments charged by the promoter from the independent buyers nearest to the date on which such development rights or FSI is transferred to the promoter.

1B. Value of portion of residential or commercial apartments remaining un-booked on the date of issuance of completion certificate or first occupation, as the case may be, shall be deemed to be equal to the value of similar apartments charged by the promoter nearest to the date of issuance of completion certificate or first occupation, as the case may be."

(iv) in paragraph 3 relating to Explanation, after clause (iv), the following clause shall be inserted, namely: -

"(v) The term "apartment" shall have the same meaning as assigned to it in clause(e) of section 2 of the Real Estate (Regulation and Development) Act, 2016 (Act No.16 of 2016).

(vi) The term "affordable residential apartment" shall have the same meaning as assigned to it in the notification in G.O. Ms. No. 259, Revenue (CT-II) Dept. Dt. 29.06.2017, as subsequently amended.

(vii) The term "promoter" shall have the same meaning as assigned to it in clause (zk) of section 2 of the Real Estate (Regulation and Development) Act, 2016 (Act No.16 of 2016).

(viii) The term "project" shall mean a real estate project or a residential real estate project.

(ix) the term "real estate project (REP)" shall have the same meaning as assigned to it in clause (zn) of section 2 of the Real Estate (Regulation and Development) Act, 2016 (Act No.16 of 2016).

(x) The term "residential real estate project (RREP)" shall mean a REP in which the carpet area of the commercial apartments is not more than 15% of the total carpet area of all the apartments in the REP;

(xi) The term "carpet area" shall have the same meaning as assigned to it in clause (k) of section 2 of the Real Estate (Regulation and Development) Act, 2016 (Act No.16 of 2016).

(xii) "an apartment booked on or before the date of issuance of completion certificate or first occupation of the project", shall mean an apartment which meets all the following three conditions, namely- (a) part of supply of construction of the apartment service has time of supply on or before the said date; and (b) consideration equal to at least one instalment has been credited to the bank account of the registered person, on or before the said date; and (c) an allotment letter or sale agreement or any other similar document evidencing booking of the apartment has been issued on or before the date".

(xiii) " Floor Space Index " (FSI) shall mean the ratio of a building's total floor area (Gross floor area) to the size of the piece of land upon which it is built.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

Dr.D.SAMBASIVA RAO
SPECIAL CHIEF SECRETARY TO GOVERNMENT

To
The Commissioner of Printing, Stationery and Stores Purchase (Publication Wing), A.P., Vijayawada ... for publication of the Notification (he is requested to supply 20 copies of the notification to this Department and 200 copies to the Chief Commissioner of State Tax, Andhra Pradesh, Vijayawada)
The Chief Commissioner of State Tax, Andhra Pradesh, Vijayawada.

Copy to:
The Director General, General Administration (Vigilance & Enforcement) Department, 2nd floor, Pundit Nehru Bus Station Complex, Vijayawada.
The P.S. to Special Chief Secretary to Chief Minister.
The P.S. to the Hon'ble Minister (Finance & Commercial Taxes).
The P.S.to the Spl.C.S (CT, Excise and Regn.,& Stamps).
The Law (H) Department.
Sf/Sc.

// FORWARDED:: BY ORDER //

SECTION OFFICER